

that this discrimination in state cable access laws operates to the detriment of non-cable MVPDs.^{41/}

Liberty has had first-hand experience with the impact of New York's discriminatory cable access law, Executive Law § 828.^{42/} Specifically, Liberty has been unable to provide its services to certain potential subscribers because some MDU owners refuse to allow Liberty to install its equipment in their buildings. However, Liberty's franchised cable competitors readily obtain access to those same subscribers pursuant to Executive Law § 828. If Liberty had the same statutory access to subscribers as franchised cable operators, Liberty could more effectively compete in the marketplace.

Liberty has also been precluded from serving consumers due to exclusive contracts between building owners and cable operators. For example, Liberty has received requests for service from the residents of several condominiums in New Jersey. However, the boards of the MDUs in which these residents reside have entered into long-term exclusive contracts with a franchised cable company.

One way the Commission could address the problems associated with discriminatory access laws is to preempt state cable access laws that discriminate between cable and non-cable MVPDs as being contrary to the ability of the Federal government to effect its pro-competitive policy in the video arena. To address the issue of

^{41/} See Matter of Competition, Rate Deregulation and the Commission's Policies Relating to the Provision of Cable Television Service, FCC 90-276, 5 FCC Rcd. 4962 (1990) at ¶¶ 137 and 140.

^{42/} Attached herewith as Exhibit J is a copy of New York Executive Law § 828.

exclusive contracts, the Commission could adopt rules that declare exclusive contracts to be an "unfair method of competition" under 47 U.S.C. § 548(b).^{43/} The text and structure of § 548 encompass any activity that has as its purpose or effect, denying any MVPD the ability to deliver satellite-delivered television services to consumers.

VII. Conclusion.

The Act was supposed to create a dynamic and competitive marketplace where consumers had access to a multitude of choices of affordable, high quality services. Even though the Act imposes burdens on cable operators, the ultimate goal of the Act was to create an unregulated marketplace for all competitors once competition exists.

However, such a marketplace will never exist unless the Commission and other regulatory bodies play an active role in fostering competition and preventing cable operators from engaging in anticompetitive and predatory conduct. The Commission must expeditiously review and revise its existing regulations and

^{43/} 47 U.S.C. § 548(b) states that: "It shall be unlawful for a cable operator ... to engage in unfair methods of competition or unfair or deceptive acts or practices, the purpose or effect of which is to hinder significantly or to prevent any multichannel video programming distributor from providing satellite cable programming or satellite broadcast programming to subscribers or consumers." 47 U.S.C. § 548(c)(1) provides the Commission with the ability to declare that exclusive contracts are an unfair method of competition.


procedures which have allowed cable monopolists to preclude competing MVPDs from playing a meaningful role in the video marketplace.

Respectfully submitted,

LIBERTY CABLE COMPANY, INC.

**GINSBURG, FELDMAN AND BRESS
CHARTERED, ITS ATTORNEYS**

By:


~~Henry M. Rivera~~
Jay S. Newman
Suite 800
Connecticut Avenue, NW
Washington, DC 20036
202-637-9000

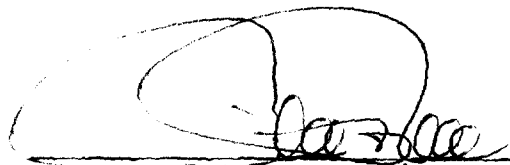
Dated: June 30, 1995

AFFIDAVIT OF PETER O. PRICE


State of New York) ss.
County of New York)

I, Peter O. Price, being duly sworn, depose and say:

1. I am President of Liberty Cable Company, Inc.
2. I have read Liberty's Comments in CS Docket No. 95-61 dated June 30, 1995.
3. All facts stated in these Comments are true and correct to the best of my knowledge.


Peter O. Price

Subscribed to and sworn before
me this 22 day of June, 1995


NOTARY PUBLIC

My commission expires:

KIM L. MEYER
Notary Public, State of New York
OT- No. 24-4950329
Qualified in Kings County
Commission Expires April 24, 1997

SAVE WITH LIBERTY CABLE!

	<u>Liberty Cable</u>	<u>Vision Cable / TW</u>
# Channels	60	52
Basic Service	\$15.00	\$31.73
One Additional Cable-Ready TV:	Free!	\$3.50
Total Charge on two TV sets	\$15.00	\$35.23

SAVE over 50%!!

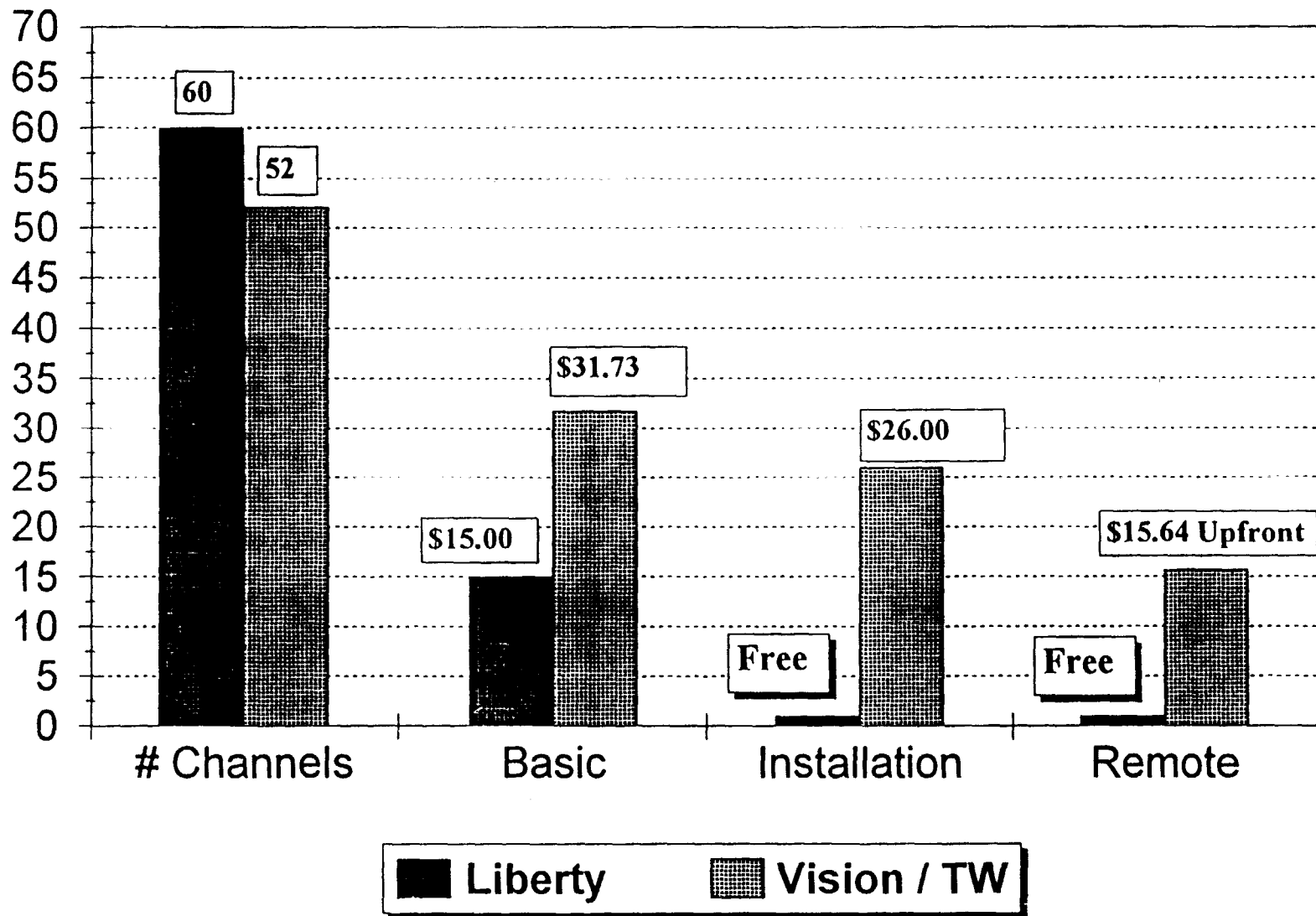
Even charges for extra services are less with Liberty Cable. . .

Remote (upfront)	Free!	\$15.64
First Installation	Free!	\$26.00
Additional Cable TV Installations (ea.)	Free!	\$14.00

	<u>Liberty Cable</u>	<u>Vision Cable / TW</u>
<i>Basic and HBO on one set</i>	\$27.00	\$42.68
<i>Basic and HBO on two sets</i>	\$37.00	\$46.18
<i>Basic and HBO and Cinemax on two sets</i>	\$40.00	\$56.13

BETTER PRICES, BETTER SERVICE

Liberty Cable vs. Vision Cable / TW



SAVE WITH LIBERTY CABLE!

	<u>Liberty Cable</u>	<u>Cablevision NJ</u>
# Channels	60	36
Basic Service	\$15.00	\$24.18
One Additional Cable-Ready TV:	Free!	\$7.45
Total Charge on two TV sets	\$15.00	\$31.63

SAVE over 50%!!

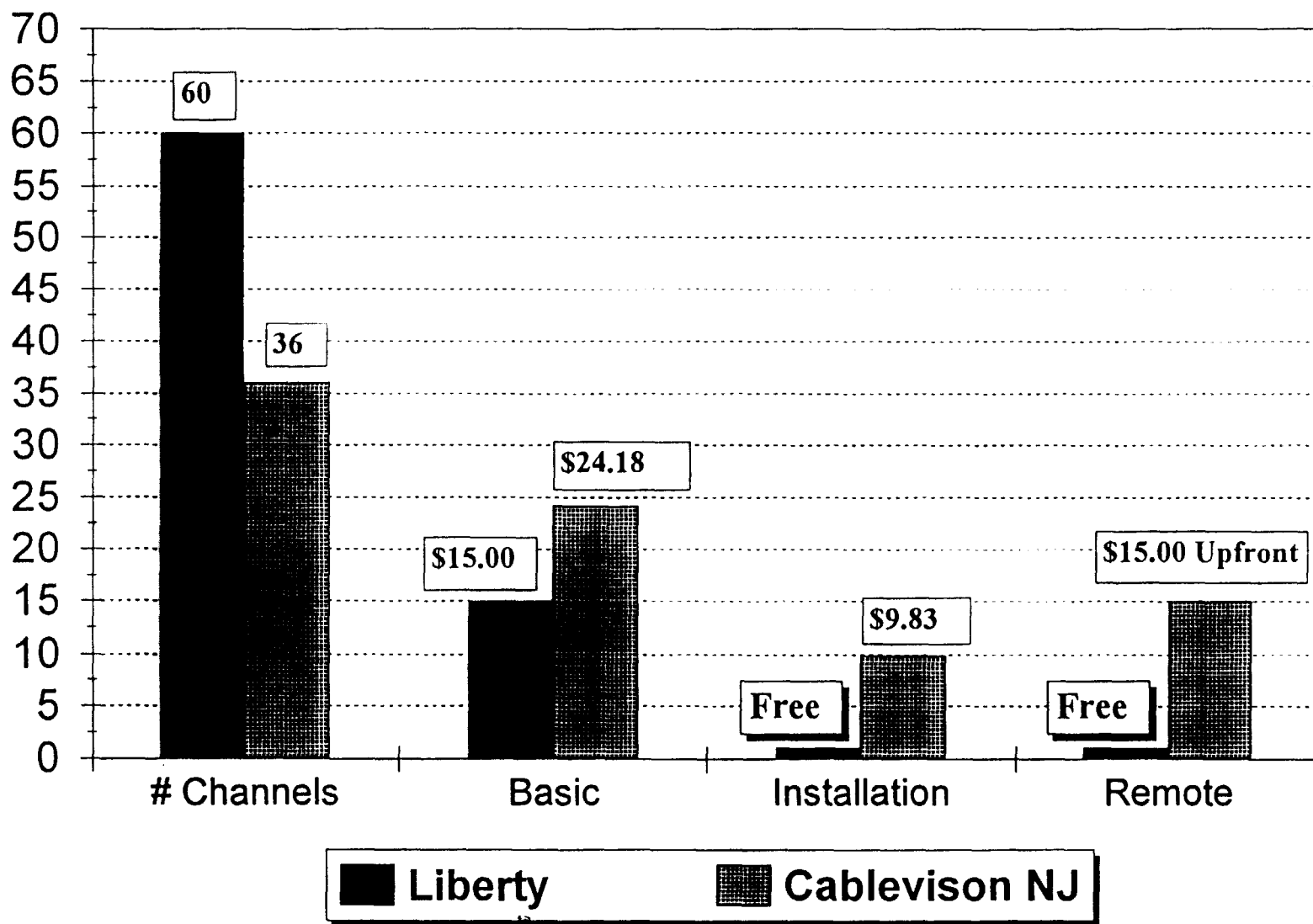
Even charges for extra services are less with Liberty Cable. . .

Remote (upfront)	Free!	\$15.00
First Installation	Free!	\$9.83
Additional Cable TV Installations (ea.)	Free!	\$10.65

	<u>Liberty Cable</u>	<u>Cablevision NJ</u>
<i>Basic and HBO on one set</i>	\$27.00	\$37.18
<i>Basic and HBO on two sets</i>	\$37.00	\$44.63
<i>Basic and HBO and Cinemax on two sets</i>	\$40.00	\$53.63

BETTER PRICE, BETTER SERVICE

Liberty Cable vs. Cablevision NJ



SAVE WITH LIBERTY CABLE!

Liberty Cable

Time Warner

Basic "Plus" (Basic and "Standard Tier" with Time Warner): *	\$15.00	\$27.27
One Additional Cable-Ready TV:	FREE!	\$3.70
Total Charge on two TV sets:	\$15.00	\$30.67

SAVE over 50%!!

Even charges for extra services are less with Liberty Cable....

Monthly equipment charge to add Basic "Plus" (Basic and "Standard Tier" with T.W.) on additional cable-ready TV:	NONE!	\$ 3.70
Monthly charge for one Premium channel on first TV set:	\$12.00	\$12.95
Monthly equipment and service charge for Premium channel on each additional TV set: **	\$10.00	\$ 9.20

A few examples....

	<u>Liberty Cable</u>	<u>Time Warner</u>
<i>Basic "Plus" (with SportsChannel) on three cable-ready sets</i>	\$15.00	\$34.37
<i>Basic "Plus" (with SportsChannel) and HBO on two sets</i>	\$37.00	\$49.02
<i>Basic "Plus" (with SportsChannel) plus HBO and Cinemax on two sets</i>	\$40.00	\$58.02

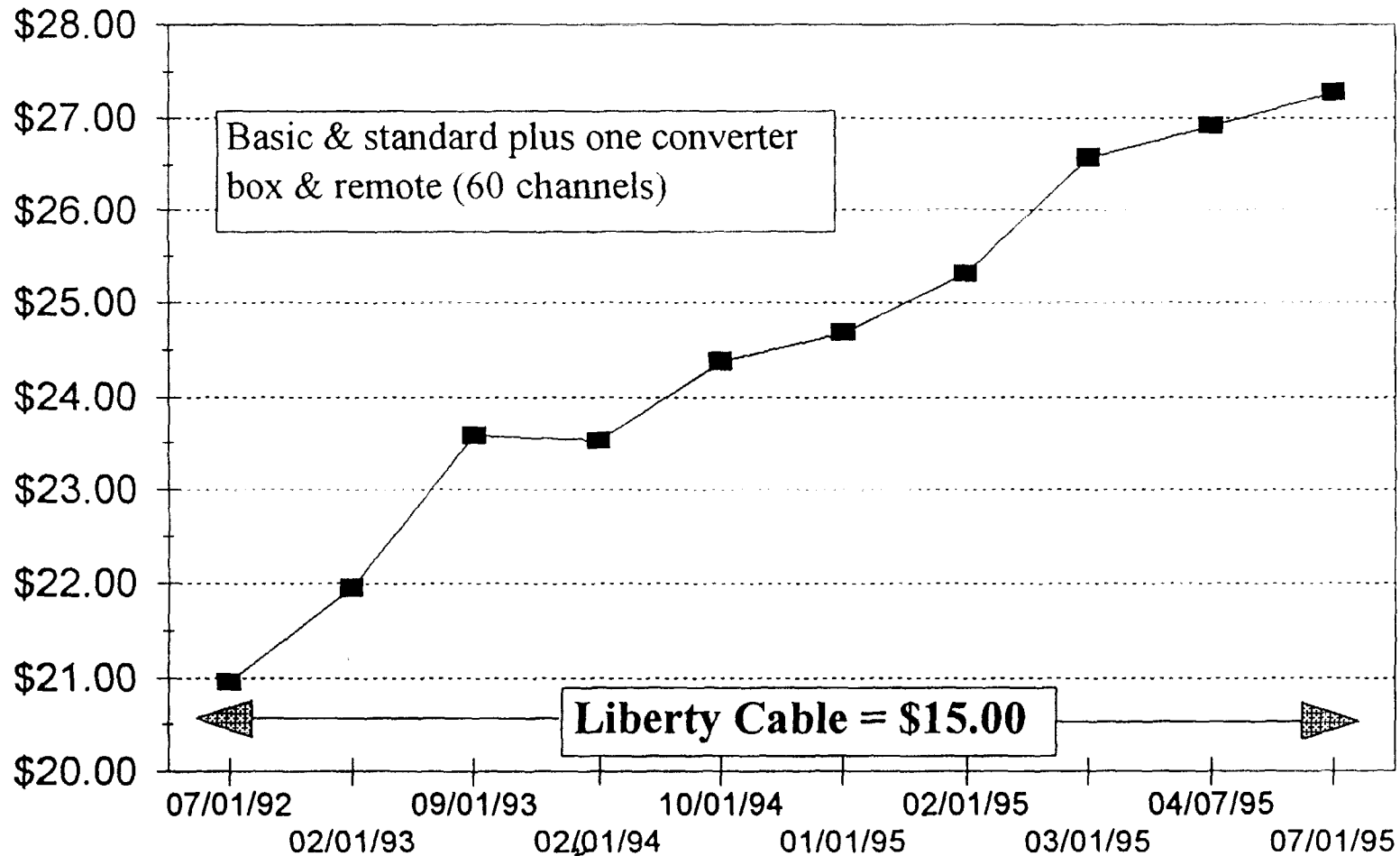
* Includes converter box and remote for one set for both companies

**Time Warner's charge includes \$3.70 converter box and remote charge plus \$5.50 extra outlet charge.

Time Warner Keeps Raising Its Rates

1992-1995

They Increased Rates 5 Times In The Last 9 Months While Liberty Cable Remained at \$15.00!



SEE ATTACHED VIDEOTAPE

Cablevision of Riverview

Bulk Billing Proposals

May 17, 1995

CABLEVISION OF RIVERVIEW
BULK BILLING PROPOSAL "A"

Basic and Standard Cable Service on Two TVs

	<u>Current Rates</u>	<u>Bulk Rates*</u>	<u>Savings</u>	<u>%</u>
Basic & Standard	\$21.73	\$14.63	\$7.10	33%
Converter	\$2.45 each	Two (2) Free	\$4.90	100%
Additional Outlet Programming	\$5.00	Free	\$5.00	100%
Sub Total	\$31.63	\$14.63	\$17.00	54%

	<u>Current Rates</u>	<u>Bulk Rates*</u>	<u>Savings</u>	<u>%</u>
One Premium	\$44.63	\$24.63	\$20.00	45%
Two Premiums	\$53.63	\$26.63	\$27.00	50%
Three Premiums	\$59.63	\$29.63	\$30.00	50%
All Four Premiums	\$74.63	\$32.63	\$42.00	56%

*Rates Based on 85% - 100% Bulk Billing of Basic, Standard Service and Premium Channels
 Does not include local and state franchise fees and taxes. Price increases not to exceed 7.5%
 every 24 months. Rates based on 5 year contract.

CABLEVISION OF RIVERVIEW
BULK BILLING PROPOSAL "B"

Basic and Standard Cable Service on One TV

	<u>Current Rates</u>	<u>Bulk Rates*</u>	<u>Savings</u>	<u>%</u>
Basic & Standard	\$21.73	\$14.63	\$7.10	33%
Converter	\$2.45 each	One (1) Free	\$2.45	100%
Sub Total	\$24.18	\$14.63	\$9.55	39%

	<u>Current Rates</u>	<u>Bulk Rates*</u>	<u>Savings</u>	<u>%</u>
One Premium	\$37.18	\$24.63	\$12.55	34%
Two Premiums	\$48.18	\$26.63	\$18.55	42%
Three Premiums	\$52.18	\$29.63	\$22.55	43%
All Four Premiums	\$67.18	\$38.28	\$28.90	43%

*Rates Based on 66% - 85% Bulk Billing of Basic, Standard Service and Premium Channels

*Does not include additional outlet programming charge or additional converter(s)

Does not include local and state franchise fees and taxes. Price increases not to exceed 7.5% every 24 months. Rates based on 5 year contract.

**CABLEVISION OF RIVERVIEW
BULK BILLING PROPOSAL "C"**

Basic and Standard Cable Service on One TV

	<u>Current Rates</u>	<u>Bulk Rates*</u>	<u>Savings</u>	<u>%</u>
Basic & Standard	\$21.73	\$18.14	\$3.59	17%
Converter	\$2.45 each	One (1) Free	\$2.45	100%
Sub Total	\$24.18	\$18.14	\$6.04	25%

	<u>Current Rates</u>	<u>Bulk Rates*</u>	<u>Savings</u>	<u>%</u>
One Premium	\$37.18	\$28.14	\$9.04	24%
Two Premiums	\$48.18	\$33.14	\$15.04	31%
Three Premiums	\$52.18	\$37.74	\$14.44	28%
All Four Premiums	\$67.18	\$48.24	\$18.94	28%

*Rates Based on 50% - 65% Bulk Billing of Basic, Standard Service and Premium Channels

*Does not include additional outlet programming charge or additional converter(s)

Does not include local and state franchise fees and taxes. Price increases not to exceed 7.5% every 24 months. Rates based on 5 year contract.

Cablevision of Riverview

CHANNEL LINE-UP

2 WCBS	23 TNT
3 CNBC	24 MTV
4 WNBC	26 HOME SHOPPING NETWORK
5 WNYW	28 GALAVISION
6 NICKELODEON	27 LIFETIME
7 WABC	28 THE WEATHER CHANNEL
8 WNJN	29 USA
*PAY PER VIEW REQUEST 5	30 DISNEY
9 WWOR	31 WNYC
10 WXTV	*E! ENTERTAINMENT TV
*VIDEO JUKEBOX	32 CINEMAX
11 WPIX	33 AMERICAN MOVIE CLASSICS
12 ESPN	34 ARTS & ENTERTAINMENT CHANNEL
13 WNET	35 HBO2
14 MADISON SQUARE GARDEN	36 SPORTSCHANNEL
*EWTN	*THE LEARNING CHANNEL
15 PAY PER VIEW HIGHLIGHTS & SCHEDULE	37 SPICE
16 HBO	38 NEWSPORT
17 WNJU	*VH-1
*THE TRAVEL CHANNEL	*LEASED ACCESS
18 TV 18/LOCAL ORIGINATION CHANNEL	39 PAY PER VIEW REQUEST TV
*COMMUNITY BULLETIN BOARD	40 PAY PER VIEW REQUEST 2
*AMERICA'S TALKING	*VALUEVISION
19 PREVUE GUIDE	41 THE DISCOVERY CHANNEL
20 HEADLINE NEWS	42 C-SPAN
21 CNN	43 SCI-FI CHANNEL
22 WTBS	44 QVC

PREMIUMS AND PAY PER VIEW CHANNELS IN BOLD



Dear Customer:

April 1995

We would like to thank you for being a customer of Time Warner Cable of New York City. We value you as a customer and hope to continue serving you in the future.

~~We understand that your Management has entered into an agreement with~~ Liberty Cable to provide SMATV service to Schwab House. You should be aware, however, that you have the legal right to continue receiving cable television from Time Warner Cable instead of, or in addition to, service from Liberty, and we hope you will choose to remain our customer. If you decide to remain a Time Warner Cable customer while also becoming a Liberty Cable customer, Liberty Cable will have to route a separate coaxial cable into your apartment.

Remember, the future is approaching rapidly and Time Warner sees it coming. A revolution is about to take place in the world of telecommunications and Time Warner will prepare you for it. Don't get left behind.

Time Warner's commitment to evolve our cable systems into broadband communications highways is evident by the development of Quantum, the world's first 150 channel cable system in Queens. Time Warner Cable has also formed a partnership with US West, Inc. to begin building Full Service Networks in Time Warner Cable systems throughout the country. Together, US West and Time Warner Cable recently began operating the world's first interactive network offering movies on demand, games, home shopping and much more, in our Orlando, Florida cable system. This further reflects our industry leadership and commitment to the future.

With everything that's going on out there, keeping on top of it all is a real challenge. Time Warner Cable makes it easy. So, stay with us on our journey into tomorrow. We're ready for the future and we don't want to leave you behind.

Finally, please take a moment to review the contents enclosed in the attached Facts Sheets. Please call me at 598-7383 if you have any questions. Once again, thank you for being our customer.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Ed Olsen'.

Ed Olsen
Accounts Manager
Condominiums and Co-ops
Enclosure

THE CABLE TV FACT SHEET

Signal Reliability: In Manhattan, underground transmission of video signals via fiber and coaxial cable is the optimum method to achieve superior reception and reliability. Microwave transmission, used by Liberty, has a long history of questionable reliability. Most cable operators abandoned this technology years ago. During storms in New York City, entire Liberty buildings have been without service for up to three days. During the World Trade Center explosion, Liberty customers and non-cable TV homes lost many broadcast signals for the day, while Time Warner Cable of New York City customers benefitted from our direct feeds from the networks and received all critical programming.

Experience: Time Warner has been in the cable business for more than 25 years and is the world's largest entertainment company, with its headquarters right here in Manhattan. With Liberty, you'll be doing business with a company owned by real estate landlords (the Milstein interests), who have virtually no experience in entertainment, programming or cable television. Crain's New York Business has noted that Liberty's chairman, Peter Price, "has no experience in cable. His record has been marked with less than stunning successes, including a bumpy tenure at the Post and The National, the sports daily newspaper that ceased publication in 1991 amid huge losses."

Regulatory Controls: In the same Crain's article, former Commissioner William F. Squadron, of the New York City Department of Telecommunications and Energy warned consumers to be cautious with systems such as Liberty, stating: "There is less protection for the consumer since they're unregulated." Time Warner is a cable television company franchised by the City of New York. As such, it is subject to careful oversight and regulations by the City, the Department of Information Technology and Telecommunications, the State Commission on Cable Television, and the Federal Communications Commission (FCC). Those agencies regulate virtually every aspect of Time Warner Cable's operation. Liberty, an unfranchised operator, has an FCC microwave license, but is not subject to the same stringent regulations by the FCC and is not regulated by the City or State regulatory agencies.

Programming: Our line-up offers 65 channels of Basic and Standard service, compared to Liberty's 56-channel service. We carry many program services currently not offered by Liberty, including New York 1 News, New York City's only all-news television channel featuring local news, sports, lifestyle information and weather reports. In addition, we offer three hit movie channels on Time Warner Home Theatre pay-per-view.

Converter Boxes: While Liberty claims that no converter box is needed, those customers who wish to subscribe to HBO or other premium services must have a converter box. Liberty charges \$10 monthly for every additional converter box. Time Warner Cable requires converter boxes in order to receive all scrambled services. Time Warner Cable charges either \$3.70 per month for each additional outlet which includes Basic and Standard Service with a converter and remote control, or \$9.20 per month with premium services.



SOME ADDITIONAL CABLE TV FACTS

Time Warner Cable provides 24-hour customer service. We guarantee that calls for service repairs before 4pm, will result in appointments by the next business day, or, you will receive a month of cable free. Also, if we don't arrive for an appointment on time, you will receive a month of cable free. A free month of cable applies to the previous month's cable service, including programming, equipment and pay-per-view charges only.

Watch N' Record converters with remotes, are now available for either \$5.59 per month retail (only \$1.89 more per month than our Jerrold Impulse converter with remote), or \$4.19 per month in our bulk agreement (\$1.40 more per month). This state-of-the-art tuner addressable converter, with on-screen display, has a built-in A/B switch, a clock, eight timers, and a smart remote that can turn your television on and off. The Watch N' Record converter is slightly larger than the Jerrold Impulse, but more importantly, allows you to tape any channel while watching any other channel at the same time (scrambled or unscrambled). This converter eliminates the need of connecting two converters with an A/B switch which can be cumbersome and more costly.

When additional outlets are installed without converters there is no monthly charge. However, you will only be able to receive our Basic 35 channels (unscrambled) on a cable ready television. Non-cable ready televisions will only receive channels 2-13. Please note, without a converter, approximately 14 Basic channels have different channel positions.

Time Warner Cable's Full Service Network, the world's first interactive network in our Orlando, Florida cable system, will offer movies on demand, games, home shopping, video phone and much more. Construction of a Full Service Network in Manhattan will begin in the near future.

The one-year Video Dialtone trial currently being conducted by NYNEX in 8 Manhattan properties is not a joint venture between Liberty Cable and NYNEX. NYNEX has been authorized by the Federal Communications Commission to conduct this trial and only they are responsible for any new technology that may be tested during the trial. Per NYNEX, Time Warner Cable and Liberty Cable have the same roles in the NYNEX test - as program providers.





**TIME WARNER
CABLE**

June 2, 1995

Dear Customer of Paragon Cable:

This letter is in response to the proposal by your Board of Directors to change your cable television service. Because we believe the presentation by your Board is incomplete and, in some important respects, misleading, we are providing the following information to you for your consideration:

YOUR CHOICES: You have three choices: (1) You can maintain your current Paragon service; (2) You can sign a bulk agreement with Liberty Cable, an unregulated operator; or (3) You can sign a bulk agreement with Paragon Cable, a regulated operator under terms approved by the City and State of New York. Each of these choices has advantages and disadvantages.

YOUR RATES: Currently, of 120 units in your building, 111 subscribe to cable service, and the average cost is \$48 monthly. The major advantage of the current service is that it gives you maximum freedom and flexibility to upgrade, downgrade or cancel your service whenever you wish; and it does not force any tenant to pay for cable service even if he or she doesn't want it.

Under the Liberty bulk proposal, five premium services are added to your service at a cost of \$49.95 monthly, but it also requires a \$5,000 upfront cost for a descrambler, representing an additional \$3.47 a month amortized over one year, for an effective rate of \$53.42 a month.

Under the Paragon bulk proposal, the same five premium services (HBO, Cinemax, Disney, TMC and Showtime) are added at a monthly cost of \$52.41, lower than Liberty by \$1.01 a month.

Importantly, the Paragon bulk rate is for one cable hook-up, but according to our records, 34 of the residents of 15 West 81 St. have one cable connection, so their rate would be lower under the Paragon bulk proposal than it

(2)

would be under Liberty.

For those 48 residents who have two cable connections, the Paragon bulk rate is \$60.16 monthly; and for those 24 residents with three cable connections, the Paragon bulk rate is \$67.91. Under the Liberty plan, the rate is \$53.42 regardless of the number of connections.

Thus, from a rate perspective only, the Paragon bulk proposal is advantageous to those with one cable connection, and the Liberty plan is advantageous to those with multiple cable connections.

However, the City also permits Paragon Cable to offer you a bulk proposal encompassing Basic and Standard Service, including equipment, for \$20.20 monthly. This plan has the advantage of permitting each of your building's residents to decide which of the five premium channels they want, if any.

It should be noted that as a regulated cable operator, Paragon's rate structure is in accord with an important public policy principle -- i.e., that residents with only one cable connection and no premium services should not subsidize the extra cost of providing additional cable connections to residents who want cable and/or premium services on additional sets.

Beyond rates, there are other issues equally important to consider:

COMMITMENT: Liberty requires a five-year commitment. Paragon requires no long-range commitment, permitting the co-op to cancel its bulk agreement with only a 90-day notice. The Paragon plan is a clear advantage because it gives your members ultimate flexibility to benefit from the newly-emerging telecommunications competition and developments that are sure to occur within the next few years. The argument that Liberty's contract will be cancellable if any other provider delivers a more technologically advanced service is an invitation to prolonged law suits. Moreover, by every legal and scientific standard today, Paragon's current service -- with its interactive capability -- is already more technologically advanced than Liberty's.

PROGRAMMING: Paragon offers 20 channels not carried on Liberty's service. These include: NY 1 News, the most watched cable channel in New York City today; 5 municipal Crosswalks channels, including CUNY-TV and the OTB Racing Channel; six pay-per-view channels (against three for Liberty); and other public access and public service

(3)

channels. Liberty, in turn, offers three broadcast signals not carried by Paragon (stations from Chicago, LA and Boston), but it should be noted that Liberty is a defendant in Federal court where it is alleged that Liberty failed to pay thousands of dollars in copyright fees for carrying these signals in violation of Federal law.

REGULATORY PROTECTION: As a franchised cable operator, Paragon customers benefit from the regulatory protection provided by those agencies of the City and State of New York which have the responsibility of making sure Paragon adheres to strict standards on technical, customer service, billing and other issues. Customers have no such protection with Liberty because it is unfranchised and claims to be outside the jurisdiction of the State and City, which are your local regulators.

CONVERTERS: The Board's proposal concludes that since Liberty's signal is unscrambled, there is no need for a converter box and that this represents an advantage. We consider it a serious disadvantage. First, the "advantage" applies only to those residents who have cable capable television sets with the required tuning range and does not apply to any resident who wishes to order pay-per-view movies or events, or who subscribes to certain adult premium channels. Even under the Liberty plan, residents in those categories would need a converter. Our records show that approximately half of the residents in your building regularly use pay-per-view. Thus, considering all the exceptions, this "advantage" is limited to perhaps less than half of your members.

Beyond that, it should be evident from even a cursory reading of all the recent articles on the future of telecommunications that a converter is necessary to provide consumers with the latest unlimited choices, interactive services, and easier access to the information superhighway now emerging. Unlike Liberty, the Paragon system is already interactive, and the other changes are coming soon. A converter is necessary to bring these benefits into your members' homes.

TECHNOLOGY: The microwave technology used by Liberty is inferior to the closed system used by Paragon and is limited in its ability to offer interactive services to the home. Liberty's "open air" system is susceptible to rain, snow and other weather conditions which cause signal interference and degrade picture quality. Paragon's system consisting entirely of coaxial cable and

(4)

fiber optics uses the most advanced and reliable technology in telecommunications today, and its architecture is ready for the new telephony and telecommunications advances which are about to blossom.

CHARACTER: Liberty, a private company, claims to have 30,000 subscribers in New York and New Jersey and is owned by a real estate company with no prior experience in media, entertainment, programming and telecommunications technology. The New York State Cable Commission has found Liberty to be operating a cable system without a franchise in violation of New York and Federal statutory law and has issued a standstill order to prevent further expansion in a manner inconsistent with the applicable statutes. Although Liberty is contesting that order in the courts, as of this date the U.S. District Court has dismissed most of Liberty's claims and has denied its application for a preliminary injunction against enforcement of the standstill order. Additionally, Liberty recently admitted before the Federal Communications Commission that it is in violation of the law by providing its cable services to at least 15 buildings in the New York City area without the required FCC microwave licenses. Liberty, as noted previously, is a defendant in a Federal court suit brought by several motion picture studios for failing to pay appropriate copyright fees in violation of Federal law. By contrast, Paragon and its predecessor companies have held a cable franchise since 1970. Paragon is owned and managed by Time Warner, a public company which is the world's leading media and entertainment company and the nation's second largest cable company, with 1,050,000 customers in New York City alone.

Finally, it must be said that the tenants of 15 West 81st St. have a stake in New York City as taxpayers and citizens who benefit and contribute to its energy and vibrancy. Because Paragon is a franchised operator, it pays a 5% franchise fee to New York City; Liberty pays no franchise fee. Paragon Cable also provides cable service to public schools, fire stations, police stations, public institutions and government offices -- free of charge. Liberty provides none of these services. Time Warner Cable has built public access studios and municipal studios for citizen and City programming and supports them continually. Liberty provides no such support. And Paragon Cable provides universal service throughout its franchise area, making cable available to the poorest neighborhoods, and is specifically prohibited from "red-lining" or "cream-skimming." Liberty has no such universal service obligation and is free to cater to only the City's wealthier residents.


(5)

As you consider this matter, we hope very much you will keep in mind all the advantages which Paragon Cable offers your members as well as our civic contribution to the whole community.

To answer any further questions you may have on this matter, I have offered to attend your Annual Shareholders' Meeting on June 14.

With appreciation for your interest,

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Aurelio".

Richard Aurelio

DANIEL F. TRITTER
ATTORNEY AT LAW
848 FIFTH AVENUE
NEW YORK, N.Y. 10017
(212) 886-0890
FAX: (212) 872-1787

May 15, 1995

Mr. Ed Olsen
Accounts Manager
Condominiums and Co-ops
Time Warner Cable
120 East 23rd Street
New York, New York 10010

RE: Your recent letter to Schwab House subscribers

Dear Ed:

I want to take the opportunity, not as a lawyer, not as a Director of Eleven Riverside Drive Corporation, but as a subscriber to Time Warner and its predecessor companies for the last 24 years, to tell you how offensive I found the self-serving mailing of recent date to your more than 400 Schwab House subscribers.

To treat us as adolescents who cannot trust the evidence of the senses, the arithmetic of bills or the repeated promises broken and tenth rate service [I admit it ... Cablevision does the seemingly impossible and delivers even worse than you do], by repeating the same shopworn disinformation peddled to us for years, is a shameful, though predictable, Time Warner performance.

Eleven Riverside Drive Corporation's every communication on cable television to our residents has stated explicitly that Liberty offers a choice, but that Time Warner, as the franchised company, cannot be taken from the building, nor from any subscriber who wishes to retain its service. Any communication you cite that states otherwise, as you seem to imply, is a forgery.

The ellipsis of your paragraph 2 implies some difficulty in choosing Liberty or retaining both. As to the latter, I cannot imagine a reason to have both. You know perfectly well that there is not a smidgin of problem in a Liberty installation, having seen its simplicity in more than 200 Manhattan buildings.

Your "commitment to the future" is a bit late in the day, isn't it? Until now, you've led us at breakneck speed into the past. Best visible evidence is in my living room with the disfunctional a-b switch crap that renders my VCR system a nightmare.